Shin-Cooper Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Economic Systems**

p. 572 – 575

1. In a market economy, who decides WHAT to produce, HOW to produce, and FOR WHOM to produce?
2. In your opinion, why might a market economy be found only in a democratic country?
3. In your own words, what does it mean for a market economy to be decentralized?
4. Since there are no pure market economies in the world, what are the roles that government takes on in these societies?
5. Why do you think the majority of the world’s economies today are market economies?
6. Why did socialism appeal to people in the early 1800s? Why would they want this kind of system?
7. Who is Karl Marx and what did he believe?
8. In a command economy, who decides WHAT to produce, HOW to produce, and FOR WHOM to produce?
9. In your opinion, why might a command economy be a part of a more authoritarian government?
10. What are two countries today still using a command economy? What is the status of Russia and China?
11. What is the definition of a mixed economy?

Extra Credit

The reading mentions that command economies can be inefficient, grow slowly, and have a lower GDP than market economies. Why might command economies tend to have less wealth than market economies?